



Missouri Department of Natural Resources

Final Audit Finding Resolutions
Region E-Solid Waste Management District
January 1, 2005 – December 31, 2006

1. Management Structure

Auditor Recommendation:

We recommend that the District be required to comply with Missouri state statutory requirements regarding their Executive Board management structure.

District Response:

The District stated, “The original by-laws do not specify the need for a secretary and treasurer, however, the District will comply with the Missouri statutory requirements.” Additionally, the District has a plan in place for the creation of an advisory committee that will be implemented in fiscal year 2007.

SWMP Response:

We concur with the auditor’s recommendation.

SWMP Recommendations:

The SWMP recommends the District provide documentation of the following actions to resolve Finding #1:

- a. The executive board should modify the District’s by-laws to include a secretary and treasurer.
- b. Any modifications made to the District’s by-laws should be in writing and approved by the board and documented within the District’s signed meeting minutes with copies provided to the SWMP.
- c. Upon implementation of the advisory committee, please provide to the SWMP, with the District’s next quarterly report, a copy of the advisory committee membership and signed meeting minutes from the committee’s first meeting.

2. Sunshine Law Compliance

Auditor Recommendation:

We recommend that the District be required to immediately adopt all required forms of documentation as stipulated by the Missouri Sunshine Law.

District Response:

The District agreed with the finding and recommendation.

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SWMP Response:

We concur with the auditor's recommendation.

SWMP Recommendations:

The SWMP recommends the District take the following actions to resolve Finding #2:

- a. The Executive Board will review and make needed amendments to the District's policy and related procedure to ensure all Executive Board meeting minutes include the following:
 - i. whether the meeting was opened or closed to the public;
 - ii. the place in which the meeting was held;
 - iii. the time of the meeting; and
 - iv. the Executive Board members absent from the meeting.
- b. Any modifications made to the District's policies and procedures should be in writing and approved by the board and documented within the District's signed meeting minutes with copies provided to the SWMP.

3. Printed Materials

Auditor Recommendation:

We recommend that the District be required to implement procedures to ensure that all printed materials distributed by the District or any sub-grantee receiving district grant funds properly credit MDNR for funding and identify the Department and its logo.

District Response:

The District agreed with the finding and recommendation.

SWMP Response:

We concur with the auditor's recommendation

SWMP Recommendations:

The SWMP recommends the District take the following actions to resolve Finding #3:

- a. The executive board should review and modify the policy to require District staff and the District's sub-grantees to conduct a review of all materials prior to their printing

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- to ensure the Department and its logo are identified and credit is given for funding the project; and
- b. Modifications made to the District's policies should be in writing and approved by the executive board and documented within the District's signed meeting minutes with a copy provided to SWMP.

4. Annual District Financial Audit

Auditor Recommendation:

We recommend the District be required to implement a plan to ensure that the required annual financial audit report is complete and submitted to MDNR prior to the deadline as stated in RSMo and MDNR Special Terms and Conditions.

District Response:

The District experienced a change in the fiscal year in 2005 from June 30, 2005 to December 31, 2005 which accounted for the untimely submission of the fiscal year 2005 annual financial report and in fiscal year 2006, the District submitted the annual financial report at the annual SWAB meeting in order to save postage expense. Additionally, the rule change to 180 days of the close of the District's fiscal year should ensure that reports will be timely submitted in the future.

SWMP Response:

We concur the District should comply with the requirement to timely submit the annual financial audit report. With the October 30, 2007 revision to 10 CSR 80-9.050, the due date of the annual financial statement audit is within 180 days of the close of the fiscal year. We believe this change will assist the District in meeting the compliance date.

SWMP Recommendations:

The SWMP recommends the District take the following actions to resolve Finding #4:

- a. The District should review and amend the current written policy and related procedures for filing the annual financial statement audit with DNR to ensure timely completion or requesting a waiver in sufficient time to allow the SWMP to respond prior to the District being out of compliance; and
- b. Modifications to any District policies to bring the District into compliance should be in writing and approved by the executive board and documented within the District's signed meeting minutes with a copy provided to the SWMP.

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5. Notification Requesting Project Proposals

Auditor Recommendation:

We recommend the District be required to implement procedures to ensure that notices requesting project proposals are timely published in the designated newspaper for each county within the District as required by state regulations.

District Response:

The District agreed with the findings and recommendation.

SWMP Response:

We concur with the auditor's recommendation.

SWMP Recommendations:

We understand District staff has already taken action to ensure compliance with this requirement. Please provide documentation of the actions taken to resolve Finding #5:

- a. The executive board should review and modify the policy to require District staff to ensure that notices requesting project proposals are timely published in the designated newspapers as required by state regulations; and
- b. Modifications made to the District's policies are in writing and approved by the executive board and documented within the District's signed meeting minutes with a copy provided to SWMP.

6. Quarterly Reports Not Submitted Timely

Auditor Recommendation:

We recommend that the District implement procedures to ensure that the thirty-day deadline for submitting quarterly reports to MDNR is achieved in accordance with state regulations and MDNR guidelines.

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District Response:

The District will work to ensure that all quarterly reports are submitted to MDNR within the required deadline.

SWMP Response:

We concur with the auditor's recommendation.

SWMP Recommendations:

The SWMP recommends the District take the following actions to resolve Finding #6:

- a. The District should review and amend the current written policy and related procedures for filing the quarterly reports with MDNR to ensure timely submission or requesting a waiver in sufficient time to allow the SWMP to respond prior to the District being out of compliance; and
- b. Any modifications made to the District policies should be in writing and approved by the executive board and documented within the District's signed meeting minutes with a copy provided to the SWMP.

7. Final Reports Not Submitted Timely

Auditor Recommendation:

We recommend that the District implement procedures to ensure that final reports are timely submitted to MDNR within thirty days from the project completion date as stated in the FAA.

District Response:

The District will work to ensure that all final reports are submitted to MDNR within the required deadline.

SWMP Response:

We concur with the auditor's recommendation.

SWMP Recommendations:

The SWMP recommends the District take the following actions to resolve Finding #7:

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- a. The District should review and amend the current written policy and related procedures for filing the quarterly reports with MDNR to ensure timely submission or requesting a waiver in sufficient time to allow the SWMP to respond prior to the District being out of compliance; and
- b. Any modifications made to the District policies should be in writing and approved by the executive board and documented within the District's signed meeting minutes with a copy provided to the SWMP.

8. Sub-grantee Reports Not Submitted Timely

Auditor Recommendations:

We recommend the District take measures to ensure that sub-grantees submit quarterly progress reports timely in accordance with the FAA and MDNR guidance.

District Response:

The District deals with many issues related to sub-grantee reporting and no funds are distributed until adequate reporting is received by the District. Additionally, applicants are penalized for late reports on future grant proposals. The District will continue to make improvements in the area of sub-grantee reporting.

SWMP Response:

We concur with the auditor's recommendation.

SWMP Recommendations:

The SWMP recommends the District take the following actions to resolve Finding #8:

- a. The District should review and amend the current written policy and related procedures for sub-grantee submission of quarterly progress reports with the District to ensure the District's reports can also then be timely filed or the District have sufficient time to request a waiver allowing the SWMP to respond prior to the District being out of compliance; and
- b. Modifications to any District policies to bring the District into compliance should be in writing and approved by the Executive Board and documented within the District's signed meeting minutes with a copy provided to the SWMP.

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9. Lack of Adequate Supporting Documentation Provided by the Sub-grantee

Auditor Recommendation:

We recommend that the District implement procedures to ensure that subgrant reimbursements are made only upon receipt of proper source documentation for project expenses as required by the FAA and MDNR General Terms and Conditions.

District Response:

The District agreed with the finding and recommendation.

SWMP Response:

We concur with the auditor's recommendation.

SWMP Recommendations:

The SWMP recommends the district take the following actions to resolve Finding #9:

- a. The district should establish a written policy and related procedure to ensure subgrant reimbursements are made only upon receipt of proper source documentation (i.e., accounting payroll records, paid invoices, paid receipts, cancelled checks, and employee timesheets) for project expenses; and
- b. Modifications or the addition of district policies should be in writing and approved by the Executive Board and documented within the district's signed meeting minutes with a copy provided to the SWMP.

10. Untimely Filing of UCC Financing Statement

Auditor Recommendation:

We recommend that the District be required to implement procedures to ensure that the District is in compliance with state regulations pertaining to the timely filing of UCC Financing Statements.

District Response:

The District agreed with the finding and recommendation.

SWMP Response:

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We concur with the auditor's recommendation.

SWMP Recommendations:

The SWMP recommends the District take the following actions to resolve Finding #10:

- a. The District should review their current written policy and related procedures for filing of UCC Financing Statements and determine the need for modifications to ensure accurate and timely filing with the Secretary of State; and
- b. Modifications to District policies should be in writing and approved by the council or executive board and documented within the District's signed meeting minutes with copies provided to the SWMP.

11. Utilization of Sub-grantee Equipment

Auditor Recommendation:

We recommend that the District be required to implement procedures to ensure that equipment and improvements purchased with district grant funds are kept in good condition by the sub-grantee. Additionally, we recommend that any and all changes in project status be reported to MDNR on a quarterly basis and that these reports accurately reflect any problems with the project.

District Response:

The District will not provide the sub-grantee additional reimbursement until the condition of the concrete pad is corrected. Additionally, the District will work to ensure that quarterly reports submitted to the District by the sub-grantee are complete and accurate.

SWMP Response:

We concur with the auditor's recommendation.

SWMP Recommendations:

The SWMP recommends the District take the following actions to resolve Finding #11:

- a. The District provided reports from the sub-grantee that did not provide accurate information about the status of the project and the District did not directly provide any information stating problems with the project. The District should promptly take action to correct this misreporting to MDNR and provide a report that accurately reflects the status of this project. Further, the report should clearly state the date full

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compliance with the grant award between the District and their sub-grantee is anticipated and achieved.

- b. The District should review their current written policy and related procedures for on-site inspections of sub-grantee projects and determine the need for modifications to ensure project status is accurately reported to the District and MDNR;
- c. The District should review their current written policy and related procedures for sub-grantee equipment and improvements purchased with district grant funds and their associated maintenance requirements to determine the need for modifications; and
- d. Modifications to District policies should be in writing and approved by the Executive Board and documented within the District's signed meeting minutes with copies provided to the SWMP.

12. Decals Not Displayed on Equipment

Auditor Recommendation:

We recommend that the District be required to timely affix a District identification decal to equipment purchased with State funds to ensure that District property is properly identified in accordance with MDNR General Terms and Conditions.

District Response:

The District agreed with the finding and recommendation.

SWMP Response:

We concur with the auditor's recommendation.

SWMP Recommendations:

The SWMP will consider Finding 12 resolved upon receipt of:

- a. A copy of the Executive Board's approved written policy that identifies the District's procedure to account for and report equipment and other capital assets including when the District's decal will be affixed to the equipment purchased with State funds; and
- b. A copy of the signed meeting minutes documenting approval of the policies with a copy provided to the SWMP.